



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 14, 1994

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director, Mining *LPS*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Approval, Amount and Form of Reclamation Surety, South Standard Mining Company, Trixie Mine, M/049/024, Utah County, Utah

The Division seeks approval from the Board of Oil, Gas and Mining for the amount and form of reclamation surety which has been filed by South Standard Mining Company (SSMC), for reclamation of the Trixie Mine located in Utah County, Utah. The Division has calculated a \$39,500 surety amount to reclaim approximately 9 acres of surface disturbance associated with this mine. South Standard will provide a Certificate of Deposit (CD) as the form of reclamation surety for this project. A draft copy of the Certificate of Deposit agreement letter is attached to this memo. The final signed agreement and the actual CD should be received by the April 27th hearing.

Sunshine Mining Company has operated the Trixie Mine since it was originally approved in 1984, as an amendment to the Burgin Mine Project. Full control of the Trixie Mine property reverted back to the lessor (SSMC) following a recent settlement of a legal dispute between the two parties. On February 16, 1994, South Standard Mining Company received tentative approval from the Division for its new permit application to allow continued operations at the Trixie Mine.

This new permitting action effectively severs the Trixie Mine from Sunshine's Burgin Mine permit, and it is now a stand alone mining operation/permit. The residual mine properties covered under the Burgin permit (Apex and Hunter Shafts, Zuma Clay Pit, Burgin Mill & tailings pond), have reverted back to the lessor, Chief Consolidated Mining Company (CCMC). Full control of these properties were taken back by CCMC following an agreement between Sunshine and CCMC, which resulted in Federal and state lawsuits being discontinued. Sunshine Mining Company no longer holds any continued interest in the operation of these mine properties. However, Sunshine's existing reclamation surety will remain in place until new permits and replacement sureties are approved by the Division and Board.

Attached for your information and review is a copy of the following information:

1. Summary Checklist
2. Executive Summary
3. Location Maps
4. DOGM's surety estimate
5. Reclamation Contract (Form MR-RC)
6. Reclamation Surety (Certificate of Deposit - \$39,500)

Thank you for your time and consideration of this request.

jb
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